



VIDEO LOTTERY

News & Updates

FROM THE COMPUTER ROOM

HOLIDAY HOURS

The Video Lottery Computer Room will be open on **Monday, May 25, 2015** from 9 a.m. – 11 a.m. in observance of Memorial Day.



MCD TRACKING

Every year Lottery must complete an inventory check of all MCDs out in the field. Recently we have mentioned when operators call the Lottery office they will be asked to provide the serial number located on the MCD and the establishment they are in. This process will continue. In addition, if you have MCD's, you should have received an MCD tracking form with your operator renewal paperwork. If you have that form and MCD's, please fill it out and mail it in to the Lottery office along with the rest of your renewal paperwork. For those of you who have done that thank you! If you have an MCD but did not receive the form, please notify the lottery and we will send you a form. We ask that you please verify that the establishment license number and MCD number correspond when filling in the form.

NEWS YOU CAN USE TO OPERATE BETTER

PROCEDURE FOR SALE OF VIDEO LOTTERY MACHINES

Partial Sale of Machines Between Operators:

[Bill of Sale](#) must be filled out when machines are sold between operators. This form must be mailed to the Lottery office with original signatures.

[Transportation of Video Lottery Machines between Locations](#) must be filled out from selling operator with final meter readings and an audit ticket must be included for final revenue reconciliation.

2015 LOTTERY COMMISSION MEETINGS

Thurs., June 11

Thurs., Sept. 17

Thurs., Dec. 10

CURRENTLY OPERATING

The following licensed manufacturers have approved hardware and software in the market.

- IGT
- Spielo
- Grand Vision Gaming
- Scientific Games International
- Techlink Entertainment
- Harms Vending Inc.

VLC, Fortunet/Summit, and MTD also have equipment in the field.

Shipment Notification from distributor/manufacturer listing machine(s) and buyer operator.

Machine Registration and Transportation (birth certificate) form from distributor/manufacturer to begin new file(s) under buyer operator.

Complete Buyout of Machines Between Operators:

Bill of Sale must be filled out when machines are sold between operators. This form must be mailed to the Lottery office with original signatures.

Transportation of Video Lottery Machines between Locations must be filled out from selling operator with final meter readings and audit ticket. No final revenue reconciliation is necessary as buying operator assumes prior financial responsibility for machines. Logic boards are not demoed.

Sale of Machines to Manufacturer:

Bill of Sale must be filled out when machines are sold to manufacturer(s). This form must be mailed to the Lottery office with original signatures.

Transportation of Video Lottery Machines between Locations must be filled out from selling operator to buying manufacturer with permit tag(s), final meter readings, and audit ticket for final revenue reconciliation. Lottery officials will close out the file(s) under selling operator.

MACHINE DESTRUCTIONS

The license renewal fee for a video lottery operator is based on the number of machines licensed as of June 30 of each year. To avoid paying this fee for a machine that may no longer be operable, an operator must complete and submit to the Lottery a Video Lottery [disposal form](#). Before any machine destruction takes place, an audit ticket of the machine(s) you are submitting for destruction must be obtained and mailed or faxed to the Lottery office with the disposal form. A legible signature on the disposal form would be greatly appreciated, as this will help a Lottery official identify the person who filled out the form if any questions should arise. Once the form has been received, the Lottery will arrange for a final inspection of the machine and witness the destruction. If you have machines you need destroyed by June 30, the form must be submitted to the Lottery by May 31 to allow adequate time to coordinate inspection and internal accounting procedures. For requests received after May 31, the Lottery cannot guarantee the request will be processed by June 30 although every effort will be made to accommodate the request. Copies of the Video Lottery disposal form and the [Declaratory Ruling 95-1](#) by the South Dakota Lottery Commission regarding machine destruction are available on the Lottery's website at lottery.sd.gov

PLANNING A PROMOTION?

Order free video lottery merchandise for prizes and giveaways



Click the T-Shirt image above to view more product photos on the order form

OPERATORS & TECHNICIANS

Be sure your paperwork for [board changes](#) and [movements](#) includes an Audit ticket and can be e-mailed to VideoLottery@state.sd.gov

TIME IS RUNNING OUT TO COMMENT ON THE IRS PROPOSAL TO REDUCE THE REPORTING THRESHOLD

A proposed change to Internal Revenue Service (IRS) regulations will require casinos to report video lottery players winnings of \$600 or more to the IRS. Under current federal regulations, set in 1977, a casino must file tax information forms on winnings of \$1,200 or more on a slot machine jackpot. The **proposed change** to update the tax information reporting rules for players' winnings was published in the Federal Register. The IRS is accepting public comments until June 2. In its proposal, the IRS said it was seeking comments regarding the reporting figure, including the feasibility of reducing the reporting threshold, whether electronically tracked slot machine play should have a separate reporting threshold, and if the games' reporting amounts should be uniform. The South Dakota Lottery has sent a letter to the IRS indicating its concerns with the new requirements. Your concerns and opinions can be mailed to: CC:PA: LPD:PR (REG-132253-11), Room 5205, Internal Revenue Service, P.O. Box 7604, Ben Franklin Station, Washington, DC 20044 or sent electronically, via the Federal eRulemaking Portal at <http://www.regulations.gov>.



QUICK LINKS

lottery.sd.gov

[Video Lottery](#)

[Retailer/License Info](#)

[Where Does the Money Go?](#)

VIDEO LOTTERY MARKETING

BRANDING YOUR BUSINESS

Cabela's. Pepsi. Target. Customers are often driven by brand loyalty when deciding where to go and what to buy. Large corporations spend billions of dollars developing their brands but branding can work just as well for small businesses like your casino...and for a LOT less money. Here are four easy ways you can brand your establishment to generate more loyalty among your players:

- **Get a logo.** The average person has an attention span of 8 seconds. A logo is the quickest way to grab their attention and make your casino instantly recognizable. It can be as simple as choosing a distinctive font for your outdoor signage then using the font wherever the name of your casino appears. If you use a graphic logo, keep it simple and uncluttered but still distinctive to YOUR business. Generic clip art of a deck of cards may make players think about poker but unless the logo shows some of your casino's personality, it might not bring them through your doors.
- **Give away branded promotional items.** You've got a great logo so spread it around! Give can koozies, t-shirts, or caps with your logo as prizes for drawings and special events at your business. An Advertising Specialty Institute study showed 57% of people felt more favorable about a company that had given



them a free t-shirt, a positive sway for a minimal cost.

- **Participate in charitable events.** Support the community and the community will support you. Charitable events allow you to get your casino's name and brand out in front of people who may not otherwise see you but they also give you an opportunity to show that you're interested in helping others. Given the nature of your business, you'll probably want to support events aimed at adults as opposed to kids.
- **Reach out via social media.** Take a look around your establishment – how many of your customers have smartphones and how often are they on them? 52% of online adults use two or more social media sites, with Facebook and Twitter topping the list. All it costs for your casino to have a Facebook or Twitter account is TIME. Give your day and night managers administrator permissions on the accounts and they can let your “friends” and “followers” know when special events are coming up or a big win has just been hit on a new game. Reaching out to your players via social media when they're not at your establishment in person can give them a reason to be there in person.

Whether you have two machines or 10, no establishment is too small to benefit from branding. Friendly bartenders, a unique atmosphere, special promotions – there's a reason you have regular customers. Make more of them by letting others know what sets your casino apart.

OTHER INFORMATION

Stats from the Field

As of May 20, 2015, 750 MCD's have been installed and 2,344 line game machines are in operation statewide.

Newsletter Archives

For past newsletter issues, email jennifer.baker@state.sd.us

May 22, 2015

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